



State of Utah

Department of
Environmental Quality

Dianne R. Nielson, Ph.D.
Executive Director

DIVISION OF DRINKING WATER
Kevin W. Brown, P.E.
Director

Drinking Water Board

Dale Pierson, *Chair*
Anne Erickson, *Vice-Chair*
Myron Bateman
Jay Franson
Laurie McNeill
Nancy Melich
Dianne R. Nielson, Ph.D.
Charlie Roberts
Petra Rust
Ron Thompson
Chris Webb
Kevin W. Brown, P.E.
Executive Secretary

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

MINUTES OF THE DECEMBER 10, 2004 DRINKING WATER BOARD
MEETING HELD IN SALT LAKE CITY, UTAH

Board Members Present

Dale Pierson, Chairman
Anne Erickson, Vice Chairman
Myron Bateman
Jay Franson
Laurie McNeill
Nancy Melich
Dianne Nielson, Ph.D.
Petra Rust
Chris Webb

Board Members Excused

Charlie Roberts
Ronald Thompson

Staff

Kevin Brown
Ken Wilde
Ken Bousfield
Rich Peterson
Mark Foster
Ying Ying Macauley
Tim Pine
Linda Matulich

Guests

Eric Johnson, Smith Hartvigsen
Scott Hacking, DEQ
Randy Williams, Salt Lake Health Dept.
Rod Mills, Nolte/CICWCD
Scott Wilson, CICWCD
John Davis, Summit WDC
Mark Davidson, Sunrise Engineering
Richard Fountain, Jr., PacifiCorp
Reed Bodell, KYCC
Ken Mitchell, Park City
Kent Cashel, Park City
Kathy Dunks, Park City
Jerry Gibbs, Park City
Marie Owens, Metropolitan WDSLS
Mark Clark, Weber Basin WCD
Blair Blonquist, Brigham City
Bruce Leonard, Brigham City
Clyde Watkins, Rural Water Association
Craig Collett, Daggett County
John Chartier, Sunrise Engineering
Dale Berg, Twin Creek SSD
Doug Nielsen, Sunrise Engineering
Chuck Dickison, Mayor, Town of Manila
Stephen Platt, CICWCD
Russ Donoghue, Rural Water Association
Paul Wilson, Twin Creeks
Bruce Chesnut, Orem City
Sheridan Hansen, Central Iron CCD
Kristine Parker, Zions Bank

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in Salt Lake City, Utah with Chairman Pierson presiding. The meeting was called to order at 1:05 p.m.

ITEM 2 – ROLL CALL

Chairman Pierson asked Kevin Brown to call roll of the Board members. The roll call showed there were 9 members present at the time.

ITEM 3 – INTRODUCTIONS

Chairman Pierson welcomed everyone and asked the guests to introduce themselves.

ITEM 4 – APPROVAL OF MINUTES – OCTOBER 8, 2004

Chairman Pierson stated a motion to approve the October 8, 2004 minutes would be in order.

Chris Webb moved the Board approve the October 8, 2004 minutes.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

ITEM 5 – SRF/CONSERVATION COMMITTEE REPORT

1) Status Report

Ken Wilde reported staff received the first 4 months of 2005 sales tax revenue, in the amount of \$1.4 million, of which \$422,000 will be placed in the grants fund of the State SRF program.

Kanarraville, under the State SRF loan program, wasn't ready to close their loan 4 – 5 weeks ago, so the paperwork was not signed at that time. Ken said Kanarraville's loan would close officially on Monday, December 13, 2004.

Ken Wilde reported there is \$11,000,000 available in the Federal SRF program, of which \$1.3 million is in the hardship grant fund and \$2.8 million is in the repayments fund.

2) Federal SRF Applications

a) Project Priority List

Mark Foster reported two new projects have been added to the list: Woodland/Kolob Acres and the Town of Manila. Woodland/Kolob Acres scored 15.6. Woodland/Kolob Acres will present their request to the Board at the next Board meeting, pending approval of the Project Priority List today.

Myron Bateman moved the Board approve the updated Project Priority list.

Dale Pierson seconded.

**CARRIED
(Unanimous)**

b) Orem City

Mark Foster reported Orem City is working on a tank project and a large concrete reservoir in a joint agreement with the Central Utah Water Conservancy District. The arrangements for the joint agreement have taken a little longer than expected. Orem City is requesting an extension on their loan closing date, due to the delay. Initially, the extension request was for one year. Orem City and Central Utah Water Conservancy District have come up with a final contract agreement since the SRF Conservation Committee met two weeks ago.

Bruce Chesnut, Orem City representative, addressed the Board.

Jay Franson moved the Board authorize the extension of the loan closing to August 12, 2005. All of the other terms of the loan will remain the same to the \$3,000,000 loan at 1.48% for 20 years with no principal forgiveness.

Nancy Melich seconded.

**CARRIED
(Unanimous)**

c) Twin Creeks Special Service District

Ying Ying Macauley reported Twin Creeks Special Service District received a loan authorization through the federal SRF program on April 11, 2003 for \$450,000 at 0% including 20% (\$90,000) principal forgiveness. The district hasn't been able to close their loan yet, because of a water rights issue they are working on. The SRF/Conservation Committee is recommending the Board authorize an extension on their loan closing to close by December 31, 2005.

Dale Berg, Twin Creeks Special Service District representative, was available for any questions from the Board.

Laurie McNeill moved the Board authorize the SRF/Conservation Committee's recommendation of an extension to allow the loan to close by December 31, 2005.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

d) Brigham City

Mark Foster reported Brigham City is requesting a change in their scope of work to allow them to use the additional remaining money toward their project. Brigham City was more efficient in their first project, and was able to save some of the money. Brigham City would like to spend all of the money that was loaned. Brigham City has five items on their priority list. Brigham City would prefer to use the money on developing an exploratory borehole analysis. The Board did not want to fund fluoridation equipment replacement. The Board felt the City should cover that cost out of their normal operating budget.

Blair Blonquist, Brigham City representative, addressed the Board.

Discussion followed.

Jay Franson moved the Board approve the drilling of an 8-inch exploratory borehole at Flat Bottom Canyon and to either develop the well for production or use the remaining funds for items 1, 2, 4, and 5 listed on their priority list.

Chris Webb seconded.

**CARRIED
(Unanimous)**

e) Manila Town

Mark Foster reported Manila requested a grant three months ago of \$300,000 to complete improvements on their water system, including the merging of the Manila water system with the Daggett County water system. Manila's request was presented to the SRF/Conservation Committee a couple of weeks ago. The Committee preferred to not give out all grants. The Committee felt a combination of grants and loans would be more appropriate.

Mark Foster reviewed the four funding options. Since the SRF/Conservation Committee meeting, Manila has completed some financial calculations to see if one of the four recommendations would be more affordable.

Chuck Dickison, Mayor of Manila, and Craig Collett, Commissioner, addressed the Board.

Doug Nielsen and Mark Davidson, Sunrise Engineering, were available to answer any questions for the Board.

The Town of Manila has a request with the CIB for the same project.

Some background information was given on Manila's water system project.

Discussion followed.

Jay Franson moved the Board approve a \$300,000 grant with a very clear stipulation in the motion that this is part of the \$2.2 million project, there is other funding available, a repayment of \$662,000 will come back to the Drinking Water Board to pay off the 2 existing loans, and this will be kept in the federal loan program. This is a consolidation of money and would allow for amending other benefits that are an important part of source development, certification, and cross connection, etc.

Dianne Nielson seconded.

Jay Franson amended his motion to include his request and that it is contingent upon CIB's funding. If the \$300,000 isn't available, if there is some way for staff to balance out the loan, allowing people involved to crunch some numbers, and after the CIB process is through, then come back to the Drinking Water Board and approve the final numbers.

Dianne Nielson reseconded.

Ken Wilde mentioned if there isn't a loan, then Manila wouldn't qualify as a disadvantaged community, as the payments would drop below the 1.75% of the MAGI, and they wouldn't qualify because of the MAGI is greater than 80% of the state's MAGI. Later, after staff reviewed this issue using a laptop, Ken said it appeared they would still qualify as a disadvantaged community.

Tim Pine mentioned what the CIB could possibly do on Manila's request.

Discussion followed.

Chris Webb moved for a substitute motion to adopt the recommendation of the funding package # 2, with the option that the Town of Manila can come back to the Board in January 2005 with an option that the Board considers changing the interest rate. The Town of Manila will go to the CIB with \$800,000 from the Drinking Water Board, knowing Manila has a \$300,000 grant, and \$500,000 at 2.88%, and depending on the package Manila gets from the CIB, that Manila comes back to the Drinking Water Board in January 2005 to discuss the interest rate after knowing what CIB's decision is on Manila's application.

Discussion on motion.

Dale Pierson seconded.

FAILED

Six voted no.

Four voted yes.

Jay Franson restated his motion that the Board approve a \$300,000 grant from the Federal SRF money contingent upon action from the CIB Board, this is part of a \$2,200,000 project, of which \$662,000 will be repaid to the Drinking Water Board immediately, and the consolidation of two water districts, pending the Drinking Water Board's action. This motion is contingent upon CIB funding and that the Drinking Water Board asks the CIB if there is some way to include some loan component so the Division of Drinking Water can do some work between now and when the CIB meets to make their decision. If this can't happen, the Drinking Water Board will look at CIB's authorization and see what the terms are at that time. The Drinking Water Board will make a final vote on the findings from the CIB's decision.

Anne Erickson restated Jay Franson's motion.

Discussion on motion.

Motion carried.

Eight voted yes.

One voted no.

3) State SRF Applications

a) Central Iron County Water Conservancy District

Rich Peterson reported the Central Iron County Water Conservancy District is located in Cedar City. The District currently does not serve culinary water to anyone yet. The District is planning on doing a basin wide water study, which will include 28 private water companies in their district. The District is looking at Fifetown as one of the water companies. Fifetown is the worst drinking water system on the 25 worst drinking water systems list. The District is looking for a \$50,000 planning loan. The District has \$5,000 they will put toward the planning study. The District would like a grant. The SRF/Conservation Committee recommended a \$45,000 planning loan, which could be rolled into future funding. Staff has already received the preliminary calculations of over \$10,000,000 for the project.

Scott Wilson, Executive Director of the Central Iron County Water Conservancy District, addressed the Board.

Steve Platt and Sheridan Hansen, of the District, were available for any questions of the Board.

Rod Mills, consulting engineer from Nolte, was also available for any questions of the Board.

Scott Wilson gave some background information on their project to the Board.

Scott Hacking, District Engineer, addressed the Board.

Discussion followed.

Myron Bateman moved the Board approve a planning loan of \$45,000 at 0% over 5 years with the condition that staff approve the scope of work on the study. Also, if the District wishes, the loan may be rolled into project funding later. The District may also include an income analysis of the acquired water users, where staff can then evaluate the Hardship Grant criteria and waive repayment if necessary.

Chris Webb seconded.

**CARRIED
(Unanimous)**

ITEM 6 – PARK CITY ANTIMONY EXEMPTION EXTENSION

Ken Bousfield introduced the Park City Antimony issue and reported that the Board had previously made a determination with Alta and Salt Lake County Service Area # 3 that the Antimony levels similar to those found in Park City's Spiral Tunnel source did not pose an unreasonable risk to public health.

Kathy Dunks and Ken Mitchell, Park City representatives, reported on past activities and future plans to install Antimony treatment.

Kent Cashell, Park City representative, was also available to answer any questions of the Board.

Petra Rust moved the Board express their intent to grant an extension of the Antimony exemption and direct staff to work with Park City on facilitating the public comment requirements in connection with the extension.

Anne Erickson seconded.

**CARRIED
(Unanimous)**

ITEM 7 – OPERATOR CERTIFICATION COMMISSION RENEWALS

Dale Pierson called for a motion on the staff's recommendation that the Board authorize renewal of 3 Operator Certification Commission members' terms for another 3-year term.

Chris Webb moved the Board approve Craig Fahmi, Mark Clark and Arnold Smith, of the Operator Certification Commission, to serve another 3-year term.

Laurie McNeill seconded.

**CARRIED
(Unanimous)**

Myron Bateman left.

ITEM 8 – CROSS CONNECTION CONTROL COMMISSION RENEWALS

Dale Pierson called for a motion on the staff's recommendation that the Board authorize: 1) approval of Gary Jenkins and Ken Orton to serve another 2-year term, 2) replace Tom Lewis with Dan Smith to serve a 2-year term, and 3) add Tim Collings and Boyd Reschke to serve a 2-year term.

Anne Erickson moved the Board approve Gary Jenkins and Ken Orton to serve another 2-year term, replace Tom Lewis with Dan Smith to serve a 2-year term, and add Tim Collings and Boyd Reschke to serve a 2-year term.

Petra Rust seconded.

**CARRIED
(Unanimous)**

ITEM 9 – ARSENIC MCL COMPLIANCE USING POINT-OF-USE DEVICES

Ken Bousfield reported that the new MCL for arsenic would dramatically and adversely affect the small water systems. The list of systems that are known to exceed the standards show a number of very small systems on it. The monthly water rate increase for the small systems will be several hundreds of dollars a month on a rate increase to come into compliance with the rule if central treatment is constructed to remove the arsenic. Ken stated that the cost increase for small systems made a very compelling case for the allowance of POU devices.

Ken gave some background information on the Division's implementation strategy for the arsenic rule. Staff requested direction from the Board at the meeting with the intent that staff comes back to the Board with a proposed rule at a later meeting.

The Board discussed each of the 5 questions that were listed in the packet and offered their comments and concerns to staff on these questions.

ITEM 10 – MINIMUM WATER PRESSURES

Ken Wilde mentioned staff is requesting this agenda item be moved to the January 18, 2005 Drinking Water Board meeting.

Chris Webb moved to table this agenda item until the January 18, 2005 Drinking Water Board meeting.

Jay Franson seconded.

**CARRIED
(Unanimous)**

ITEM 11 – APPROVAL OF 2005 DRINKING WATER BOARD SCHEDULE

Chairman Pierson moved this agenda item be addressed before agenda Item 10.

Anne Erickson requested changing the January 14, 2005 Board meeting to January 18, 2005.

Petra Rust requested changing the July 8, 2005 Board meeting to July 15, 2005.

Discussion followed.

No other changes were made.

Chairman Pierson stated a motion was in order to approve the 2005 Board meeting schedule with the two requested changes.

Chris Webb moved to approve the 2005 Drinking Water Board Schedule with the two changes of: move the January Board meeting to January 18, 2005 and move the July Board meeting to July 15, 2005.

Petra Rust seconded.

**CARRIED
(Unanimous)**

ITEM 12 – CHAIRMAN'S REPORT

a) Water Funding Task Force Discussion – Ron Thompson

No update.

b) January Drinking Water Board Training Meeting Agenda Items – Dale Pierson

Dale Pierson mentioned there will be a work meeting at the January 18, 2005 Board meeting. Some ideas for discussion purposes for the work meeting are: security, secondary water and review of the funding guidelines. Also, any other items that the new Board members feel that they can be updated or educated on, etc.

Dale mentioned at the National Rural Water Conference and the last Rural Water Association Board meeting it was mentioned several times that the Rural Development also fund water and wastewater systems and also going to look at a security requirement for homing in their new applications.

Dale felt the Drinking Water Board should look at something similar. Stakes are in an interesting place. Kevin won't see the systems vulnerability assessment. We need some type of a sign off sheet from the new applicants that they have done such a thing.

Dale mentioned Chris' point was well taken, and the Board needs to look at the funding policy guidelines.

If the Board members have any recommendations for the morning work session, please call Dale or Kevin and let them know your issues.

Dianne mentioned that the November 18, 2005 Board meeting day is the same day that the Water Quality Board meeting is scheduled. It would be a good idea to have a joint board meeting with the Water Quality Board that same day.

Kevin said he and Walt Baker have been talking about having a joint Board meeting and will have the two Board Chairmen discuss this issue.

c) Quality Growth Recognition Update – Anne Erickson

Anne Erickson gave the Board an update on this item.

ITEM 13 – DIRECTORS REPORT

a) Twenty-Five (25) Worst Water Systems List Update

Kevin Brown mentioned the 25 worst drinking water systems updated list is in the packet. Staff is making some progress on this list.

Discussion followed.

b) Customer Survey Results

Kevin Brown mentioned he sent out 50 customer surveys and received 37 surveys back. Over 80% of the surveys were either in the strongly agree or agree columns. There are some areas that staff will be working on to improve.

Discussion followed.

c) Calendar Year Summary of Events

Kevin Brown mentioned he keeps a month-by-month tabulation of most of the activities that are on going in the Division. There is a lot more going on in the Division than what is on the list. The list is just a summary of some of the events that have taken place this last year.

d) Bilateral Compliance Agreement Between the Executive Secretary to the Drinking Water Board and the Community of Garden City in Rich County, Utah

Kevin Brown asked Ken to stand up for a round of applause for what he has accomplished in getting the Bilateral Agreement signed.

e) Division Christmas Luncheon – December 14, 2004

Kevin Brown mentioned that the Division will be having their annual Christmas party and awards,

Kevin invited the Board members to the party.

f) Staff Recruiting Status

Kevin Brown reported Merrit Neff would become a permanent employee on December 18, 2005. Merrit has been a temporary employee filling in while Mark Foster was on military leave. Michael Pfeiffer will be back with the Division on December 18, 2005. Michael is filling James Brough's vacancy.

We are in the process of hiring a Ground Water Rule Manager. The Ground Water Rule Manager will be in the Compliance Section. This position will fill the replacement of Bob Lowe, in the Special Services Section, who retired in June. This position will be on board in the January/February timeframe.

g) Planning and Zoning Water Approval

Kevin Brown mentioned about a year ago, the Division of Drinking Water and the Division of Water Quality were part of a work group to discuss the issue of all of the developments that take place and are approved at the planning commission meetings and county or city council level without any type of water approval or wastewater approval upfront. The goal of this committee was to try to figure out how to get involved in the preplanning approval process, so that the local water authority can sign off saying the entity does have water and/or sewer capabilities. The only time when the water people are involved is when the construction part of the project starts. The committee has been working for the better part of a year to work out the legislative language changes. About two months ago the committee found out that another part of the League of Cities and Towns, in conjunction with a legislative group, has been doing a parallel program. The two groups got together on this project. It looks like the local water and wastewater groups will be part of the subdivision approvals in the future.

Discussion followed.

ITEM 14 – NEWS ARTICLES

The news articles are in the packet.

ITEM 15 – LETTERS

The letters are in the packet.

ITEM 16 – UPDATE

The update is in the packet.

ITEM 17 – NEXT BOARD MEETING

The next Drinking Water Board meeting is scheduled for January 18, 2005 at the Division of Drinking Water offices in Salt Lake City. There will be a working meeting in the morning.

ITEM 18 – OTHER

No other business.

ITEM - ADJOURN

Chairman Pierson stated a motion to adjourn the meeting was in order.

Chris Webb moved to adjourn the meeting at 4:15 p.m.

Laurie McNeill seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary